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II

106TH CONGRESS
1ST SESSION

S. 915

To amend title XVIII of the Social Security Act to expand and make permanent the medicare subvention demonstration project for military retirees and dependents.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 1999

Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. MACK, and Mr. COVERDELL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to expand and make permanent the medicare subvention demonstration project for military retirees and dependents.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MEDICARE SUBVENTION FOR MILITARY RETIR-**
4 **EES AND DEPENDENTS.**

5 (a) EXPANSION OF SITES.—

6 (1) EXPANSION TO 16 SITES.—Effective Janu-
7 ary 1, 2000, subsection (b)(2) of section 1896 of the
8 Social Security Act (42 U.S.C. 1395ggg) is amended
9 by striking “6” and inserting “16”.

1 (2) FUTURE REPEAL OF LIMITATION ON NUM-
 2 BER OF SITES.—Effective October 1, 2002, para-
 3 graph (2) of section 1896(b) of such Act is amended
 4 to read as follows:

5 “(2) LOCATION OF SITES.—

6 “(A) IN GENERAL.—Subject to subpara-
 7 graph (B), the program shall be conducted in
 8 any site designated jointly by the administering
 9 Secretaries.

10 “(B) FEE-FOR-SERVICE.—If feasible, at
 11 least 1 of the sites designated under subpara-
 12 graph (A) shall be conducted using the fee-for-
 13 service reimbursement method described in sub-
 14 section (l).”.

15 (b) MAKING PROJECT PERMANENT; CHANGES IN
 16 PROJECT REFERENCES.—

17 (1) ELIMINATION OF TIME LIMITATION.—Para-
 18 graph (4) of section 1896(b) of such Act is repealed.

19 (2) CONFORMING CHANGES OF REFERENCES TO
 20 DEMONSTRATION PROJECT.—Section 1896 of such
 21 Act is further amended—

22 (A) in the heading, by striking “DEM-
 23 ONSTRATION PROJECT” and inserting “PRO-
 24 GRAM”;

1 (B) by amending subsection (a)(2) to read
2 as follows:

3 “(2) PROGRAM.—The term ‘program’ means
4 the program carried out under this section.”;

5 (C) in the heading to subsection (b), by
6 striking “DEMONSTRATION PROJECT” and in-
7 serting “PROGRAM”;

8 (D) by striking “demonstration project” or
9 “project” each place either appears and insert-
10 ing “program”; and

11 (E) in subsection (k)(2)—

12 (i) in the heading, by striking “EX-
13 TENSION AND EXPANSION OF DEMONSTRA-
14 TION PROJECT” and inserting “PROGRAM”;
15 and

16 (ii) by striking subparagraphs (A)
17 through (C) and inserting the following:

18 “(A) whether there is a cost to the health
19 care program under this title in conducting the
20 program under this section; and

21 “(B) whether the terms and conditions of
22 the program should be modified.”.

23 (3) REPEAL OF OBSOLETE REPORTING RE-
24 QUIREMENT.—Paragraph (5) of section 1896(b) of
25 such Act is repealed.

1 (c) PERMITTING PAYMENT ON A FEE-FOR-SERVICE
2 BASIS.—

3 (1) IN GENERAL.—Section 1896 of the Social
4 Security Act is further amended by adding at the
5 end the following new subsection:

6 “(1) REIMBURSEMENT ON FEE-FOR-SERVICE BASIS
7 FOR SERVICES PROVIDED TO UNENROLLED INDIVID-
8 UALS.—Notwithstanding subsection (i), in the case of
9 medicare-eligible military retirees or dependents who are
10 not enrolled in the program under this section, the Sec-
11 retary may reimburse the Secretary of Defense for medi-
12 care health care services provided to such retirees or de-
13 pendants at a military treatment facility under the pro-
14 gram at a rate that does not exceed the rate of payment
15 that would otherwise be made under this title for such
16 services if sections 1814(c) and 1835(d), and paragraphs
17 (2) and (3) of section 1862(a), did not apply.”.

18 (2) CONFORMING AMENDMENTS.—Such section
19 is further amended—

20 (A) in subsections (b)(1)(B)(v) and
21 (b)(1)(B)(viii)(I), by inserting “or subsection
22 (1)” after “subsection (i)”;

23 (B) in subsection (b)(2), by adding at the
24 end the following: “If feasible, at least 1 of the
25 sites shall be conducted using the fee-for-service

1 reimbursement method described in subsection
2 (l).”;

3 (C) in subsection (d)(1)(A), by inserting
4 “(insofar as it provides for the enrollment of in-
5 dividuals and payment on the basis described in
6 subsection (i))” before “shall meet”;

7 (D) in subsection (d)(1)(A), by inserting
8 “and the program (insofar as it provides for
9 payment for medicare health care services pro-
10 vided at a military treatment facility on the
11 basis described in subsection (l)) shall meet all
12 requirements that are applicable to facilities
13 that provide such services under this title” after
14 “medicare payments”;

15 (E) in subsection (d)(2), by inserting “, in-
16 sofar as it provides for the enrollment of indi-
17 viduals and payment on the basis described in
18 subsection (i),” before “shall comply”;

19 (F) in subsection (g)(1), by inserting “, in-
20 sofar as it provides for the enrollment of indi-
21 viduals and payment on the basis described in
22 subsection (i),” before “the Secretary of De-
23 fense”;

24 (G) in subsection (i)(1), by inserting “and
25 subsection (l)” after “of this subsection”;

1 (H) in subsection (i)(4), by inserting “and
 2 subsection (l)” after “under this subsection”;
 3 and

4 (I) in subsection (j)(2)(B)(ii), by inserting
 5 “or subsection (l)” after “subsection (i)(1)”.

6 (3) EFFECTIVE DATE.—The amendments made
 7 by this subsection take effect on January 1, 2000,
 8 and apply to services furnished on or after such
 9 date.

10 (d) ELIMINATION OF RESTRICTION ON ELIGI-
 11 BILITY.—Section 1896(b)(1) of such Act is amended by
 12 adding at the end the following new subparagraph:

13 “(C) ELIMINATION OF RESTRICTIVE POL-
 14 ICY.—If the enrollment capacity in the program
 15 has been reached at a particular site designated
 16 under paragraph (2) and the Secretary there-
 17 fore limits enrollment at the site to medicare-
 18 eligible military retirees and dependents who
 19 are enrolled in TRICARE Prime (as defined for
 20 purposes of chapter 55 of title 10, United
 21 States Code) at the site immediately before at-
 22 taining 65 years of age, participation in the
 23 program by a retiree or dependent at such site
 24 shall not be restricted based on whether the re-
 25 tiree or dependent has a civilian primary care

1 manager instead of a military primary care
2 manager.”.

3 (e) MEDIGAP PROTECTION FOR ENROLLEES.—Sec-
4 tion 1896 of such Act is further amended by adding at
5 the end the following new subsection:

6 “(m) MEDIGAP PROTECTION FOR ENROLLEES.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 the provisions of section 1882(s)(3) (other than
9 clauses (i) through (iv) of subparagraph (B)) and
10 1882(s)(4) shall apply to any enrollment (and termi-
11 nation of enrollment) in the program (for which pay-
12 ment is made on the basis described in subsection
13 (i)) in the same manner as they apply to enrollment
14 (and termination of enrollment) with a
15 Medicare+Choice organization in a
16 Medicare+Choice plan.

17 “(2) RULE OF CONSTRUCTION.—In applying
18 paragraph (1)—

19 “(A) in the case of enrollments occurring before
20 January 1, 2000, any reference in clause (v) or (vi)
21 of section 1882(s)(3)(B) to 12 months is deemed a
22 reference to the period ending on December 31,
23 2000; and

24 “(B) the notification required under section
25 1882(s)(3)(D) shall be provided in a manner speci-



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1 fied by the Secretary of Defense in consultation with
2 the Director of the Office of Personnel Manage-
3 ment.”.

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